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Oull September 28, 1960 ( )DOMESTADE TO to ( )Sor( )O, OADIS

THE ACTING SECRETARY'S STAFF MEETING, 9:15 a.m. (attendance attached)

Mr. Dillon, Acting Secretary and Chairman

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## 10. Germany

Mr. Kohler said that restrictions we have placed on issuance of TTDs to East Germans has been more effective than we had expected. It is now clear that our control over TTDs affects East German trade, since their trade officials cannot travel in Western Europe without a TTD. Ulbricht has already protested which indicates that our policy is hurting. Mr. Dillon remarked that he was impressed by the signs of a new West German attitude of willingness to take a strong stand on trade with the East. Erhard went out of his way yesterday to say this and Adenauer had also made a similar statement. Erhard seemed to want a total blockade on all East-West trade. Although this would create problems with the UK, Erhard's view is that the alternative is to fight.